

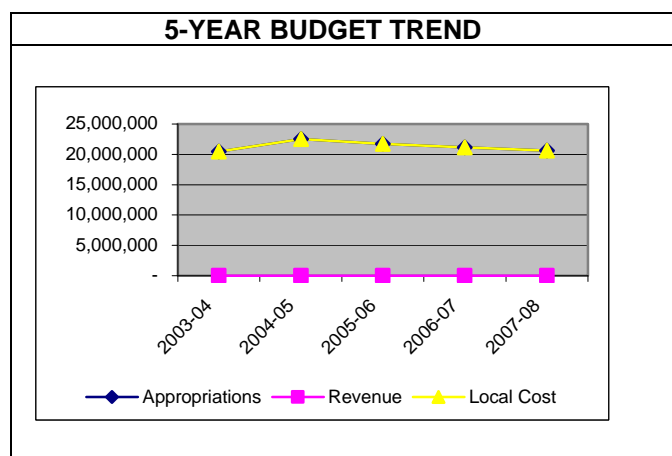
## Joint Powers Leases

### DESCRIPTION OF MAJOR SERVICES

This component funds the cost of long-term capital lease payments for the major county assets financed by the general fund.

There is no staffing associated with this budget unit.

### BUDGET HISTORY



### PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Estimate
Appropriation	18,353,792	21,382,011	20,987,980	21,137,293	20,367,316
Departmental Revenue	-	3,342	3,505	-	-
Local Cost	18,353,792	21,378,669	20,984,475	21,137,293	20,367,316

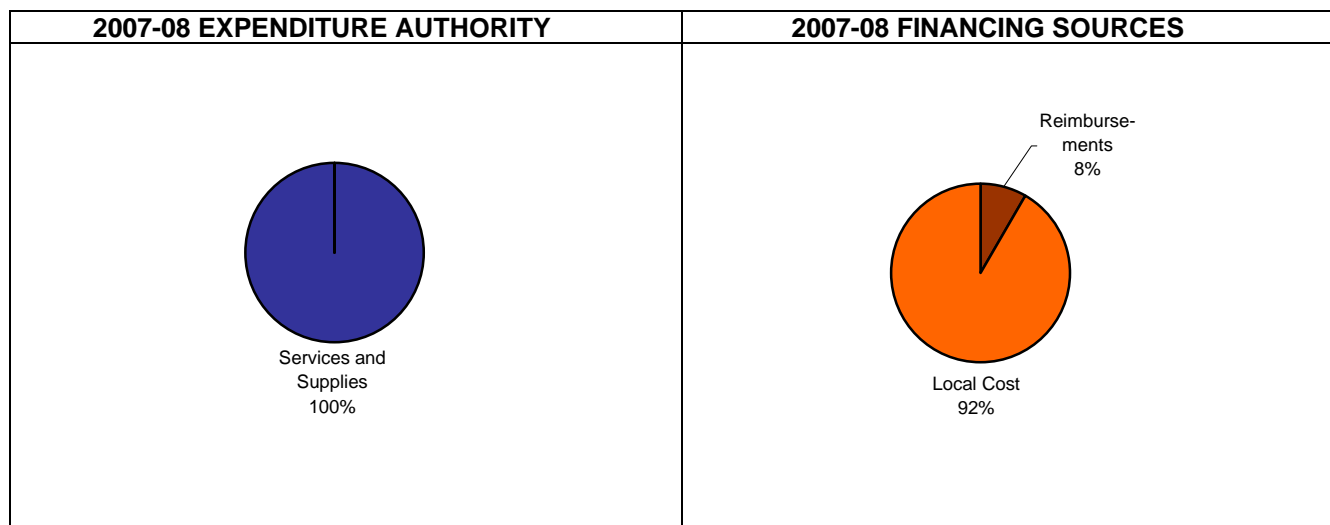
Actuals for 2003-04 are significantly lower than the other years shown since 2003-04 is the only year (of those displayed above) that the county did not use any allocation of prior year fund balance to prepay principal on outstanding Certificates of Participation, relating to long-term capital leases, paid from the general fund. This was due to state budget restrictions.

Fund balance allocations used to prepay Certificates of Participation:

- 2003-04        None
- 2004-05        \$1.8 million
- 2005-06        \$1.0 million
- 2006-07        \$0.3 million (budgeted)



## ANALYSIS OF PROPOSED BUDGET



GROUP: Administrative/Executive  
DEPARTMENT: Joint Powers Leases  
FUND: General

BUDGET UNIT: AAA JPL  
FUNCTION: General  
ACTIVITY: Property Management

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Estimate	2006-07 Final Budget	2007-08 Proposed Budget	Change From 2006-07 Final Budget
<b>Appropriation</b>							
Services and Supplies	16,224,040	22,905,636	22,572,197	21,975,626	22,864,661	22,493,041	(371,620)
Total Exp Authority	16,224,040	22,905,636	22,572,197	21,975,626	22,864,661	22,493,041	(371,620)
Reimbursements	(2,271,995)	(1,523,625)	(1,584,217)	(1,608,310)	(1,727,368)	(1,880,685)	(153,317)
Total Appropriation	13,952,045	21,382,011	20,987,980	20,367,316	21,137,293	20,612,356	(524,937)
Operating Transfers Out	4,401,747	-	-	-	-	-	-
Total Requirements	18,353,792	21,382,011	20,987,980	20,367,316	21,137,293	20,612,356	(524,937)
<b>Departmental Revenue</b>							
Other Revenue	-	3,342	3,505	-	-	-	-
Total Revenue	-	3,342	3,505	-	-	-	-
Local Cost	18,353,792	21,378,669	20,984,475	20,367,316	21,137,293	20,612,356	(524,937)

Services and supplies of \$22,493,041 represent lease payments and debt administration costs for the major county assets financed by the general fund. In 2007-08, services and supplies is reduced by \$371,620. Of this reduction, \$300,000 is associated with the 2006-07 allocation used for principal reduction of existing Certificates of Participation. The remaining \$71,620 reflects an overall reduction in debt service and debt administration costs.

Reimbursements of \$1,880,685 include \$1,327,935 to fund the lease payments and administration costs of the Hyundai Pavilion at Glen Helen. This reimbursement is funded from revenues associated with the operation of the pavilion. Reimbursements also include amounts associated with the 1997 Public Improvement financing in the amounts of \$470,000 from the utilities budget, representing savings from the ENVEST project, and \$82,750 from Preschool Services representing the portion of the lease payment used to fund a portion of the preschool building in Ontario. The decrease, beginning in 2004-05, is due to the elimination of reimbursement from Airports for a share of debt service due on the Justice Center/Chino Airport Improvement Project. This reimbursement previously averaged \$855,000 per year.



In August 2006, the Board adopted an amendment to the formal Budget Financing Policy. This amendment automatically reappropriates the portion of final fund balance associated with variable rate savings (budget vs. actual) to reduce the principal of outstanding long term debt in the next fiscal year. It is estimated that the savings calculated pursuant to this policy will be approximately \$650,000 at the end of 2006-07.

Lease Payments included in this budget unit for 2007-08 are:

Hyundai Pavilion at Glen Helen	1,282,796
Justice Center/Chino Airport Improvements	6,169,336
1997 Public Improvement Financing (ENVEST, West End Juvenile Facility, Preschool Building)	1,330,512
County Government Center	3,301,760
West Valley Detention Center	9,813,063
Subtotal:	<u>21,897,467</u>
Debt Administration (Trustee Fees, Letter of Credit Fees, Remarketing Fees, Auction Agent Fees, Broker-Dealer Fees, Audit and Arbitrage)	595,574
Reimbursements	(1,880,685)
Subtotal:	<u>(1,285,111)</u>
Total:	<u><u>20,612,356</u></u>

